

## Interagency Agreement Regarding Levee Improvements

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**Summary:** This staff report updates the Council on the status of the Interagency Agreement between the Delta Stewardship Council and the Department of Water Resources to prioritize State investments in Delta levees.

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### **Background**

Water Code Section 85306 directs the Delta Stewardship Council (DSC), in consultation with the Central Valley Flood Protection Board, to recommend priorities for State investments in levee operation, maintenance and improvements in the Delta. Delta Plan recommendation RR R4 (Actions for the Prioritization of State Investments in Delta Levees) directs the DSC to develop these funding priorities by January 1, 2015 and provides guidance for elements to include in this effort. To carry out this directive, in September 2012 DSC staff prepared a Budget Change Proposal (BCP) for the 2013-14 Fiscal Year to fund some of the tasks necessary to make recommendations for funding. In addition and as described in RR R4, the BCP included a task to analyze and determine cost allocations for all entities who benefit from flood protection provided by levees. This analysis would support the Delta Plan's recommendation that the Legislature establish a Delta Flood Risk Management Assessment District with fee assessment authority to recover costs from all such beneficiaries (RR R2) and would support a feasibility study proposed by the Delta Protection Commission for creating such an assessment district.

During this same time, the Department of Water Resources (DWR) also submitted a BCP for FY 2013-14 to carry out tasks necessary to prioritize State investments in Delta levees. Prior to submitting these BCPs to the Department of Finance (DOF), DSC and DWR conferred to avoid duplication. In March 2013 per a request from DOF for a cooperative effort between the agencies, and from internal discussions between the DSC and DWR it was decided to move ahead with an interagency agreement (IA) that would allow the agencies to accomplish this task in a more efficient and cooperative manner.

The Council adopted a motion at its May 17, 2013 meeting to take the following actions:

- A. Complete a scope of work (add brief description of SOW), including funding needs, to complete the study recommended in the Delta Plan's recommendation RR R4, by January 1, 2015. This scope of work shall address, at a minimum:
  - i. Island-by-island asset exposure analysis
  - ii. Consequences analysis

- iii. Tiered ranking structure for prioritizing and guiding State investments for maintenance and improvements in Delta levees
  - iv. Cost allocation strategy for apportioning levee operation, maintenance, and improvement costs to the appropriate beneficiaries
  - v. Peer review
- B. Present bi-monthly updates to the Council beginning with the October DSC meeting.
- C. Present formal progress reports to the Council at the December, 2013, June 2014, and December 2014 Council meetings. The executive officer is authorized to adjust this schedule to accommodate other priority items on the Council's agenda.

Staff from DSC and DWR began working out the details of the IA in April 2013. DWR advised DSC staff that funds were available from the Delta Knowledge Improvement Program under Proposition 1E, because this program best matched the purpose of the IA. After work on the IA began, DWR also informed DSC staff that it manages this program to fund third parties who carry out research that DWR considers helpful to its mission and therefore requires a detailed Scope of Work for contracts it enters into under this program, and exercises approval authority in how the tasks are carried out and how the deliverables are presented.

To date, staff from DSC and DWR have developed a detailed Scope of Work; a summary of which is provided as Attachment 1. There are a total of 10 tasks, nine of which are acceptable to both agencies. The last task - Task 10, which provides for an independent peer review of a draft report has not been agreed upon at this time. In summary, DWR believes it must be in a position to approve the peer review panel's report prior to its public release, whereas DSC staff feel this approach conflicts with the independent review process.

### **List of Attachments**

Attachment 1: Summary of Tasks and Deliverables Pursuant to the Interagency Agreement

### **Contact**

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